

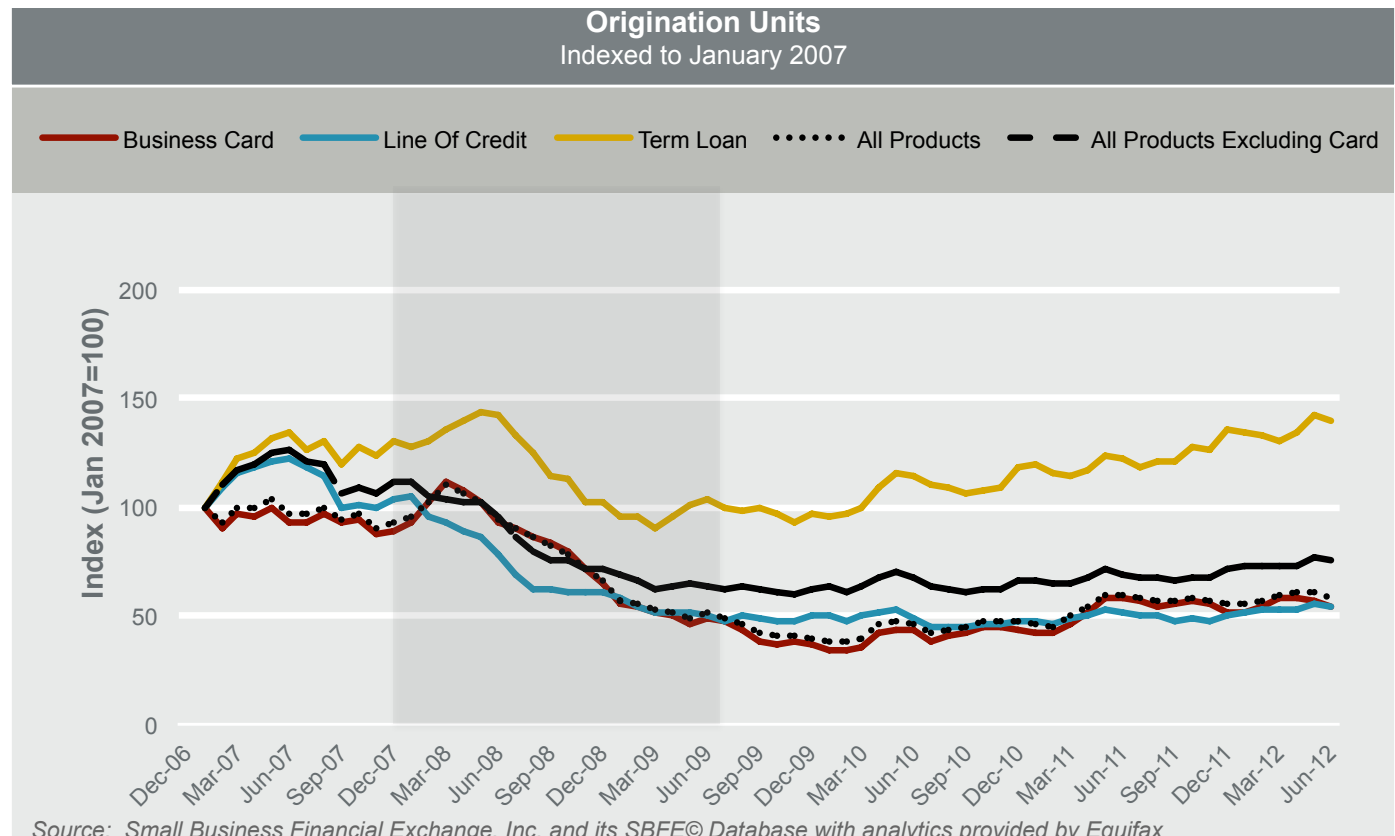


Small Business Lending Trends Q2 2012

- Small Business Lending Trends is a complimentary version of the SBFE® Small Business Lending Trends.
- Small Business Lending Trends utilizes SBFE Data™ with sophisticated business intelligence and analysis from Equifax, to provide a holistic view of the small business market.
- Small Business Lending Trends provides unparalleled insights into the overall health of the small business lending industry and highlights growth opportunities and risk trends.
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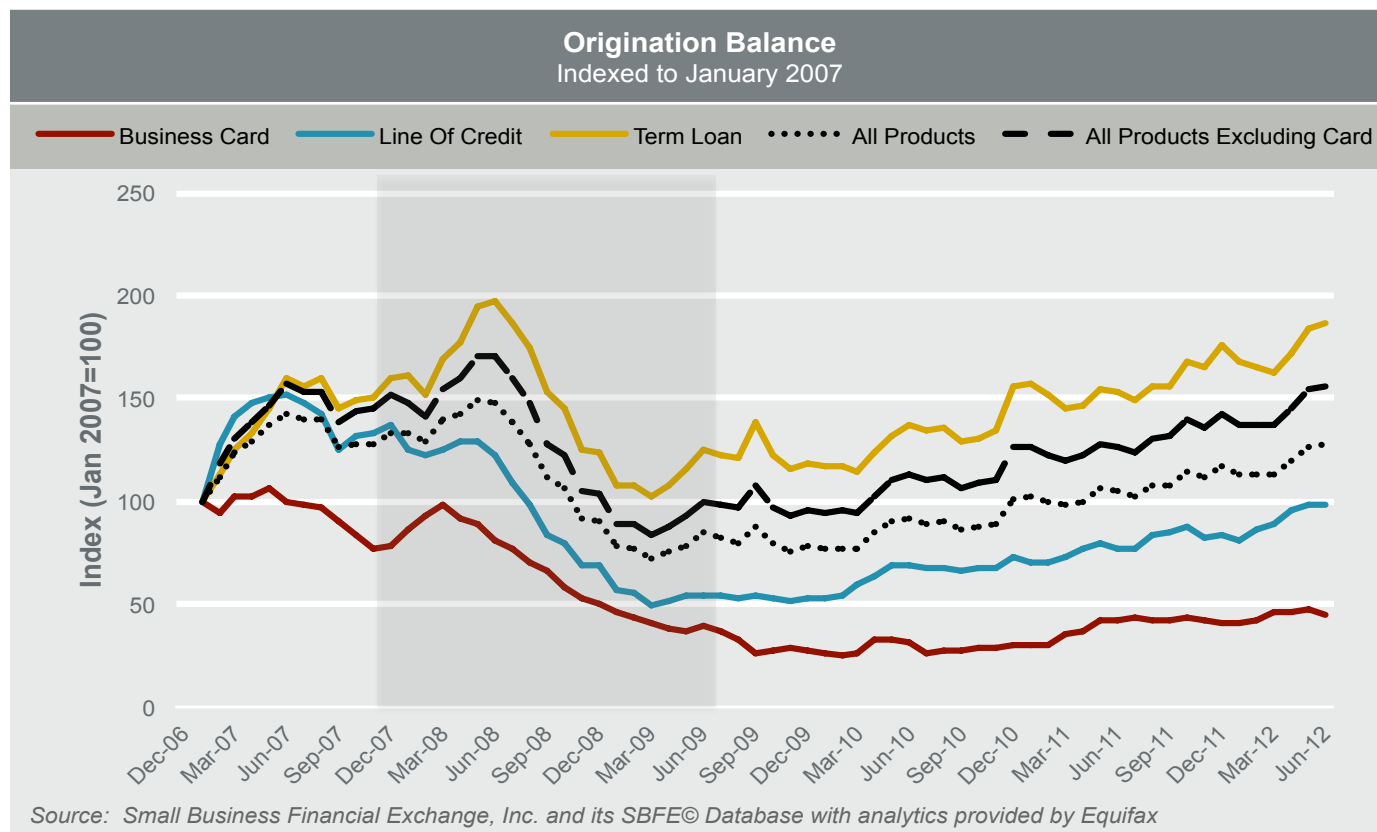
Small Business Lending Originations: units

- The number of Line of Credit originations began dropping pre-recession and continued to drop through June 2009
- Line of Credit and Business Card origination remain below prerecession levels
- Term Loan originations have been increasing since first quarter 2010 and are slightly above prerecession levels
 - The increase in Term Loan originations is partially impacted by termed out Lines of Credit (i.e. conversion from Lines of Credit to Term Loans)



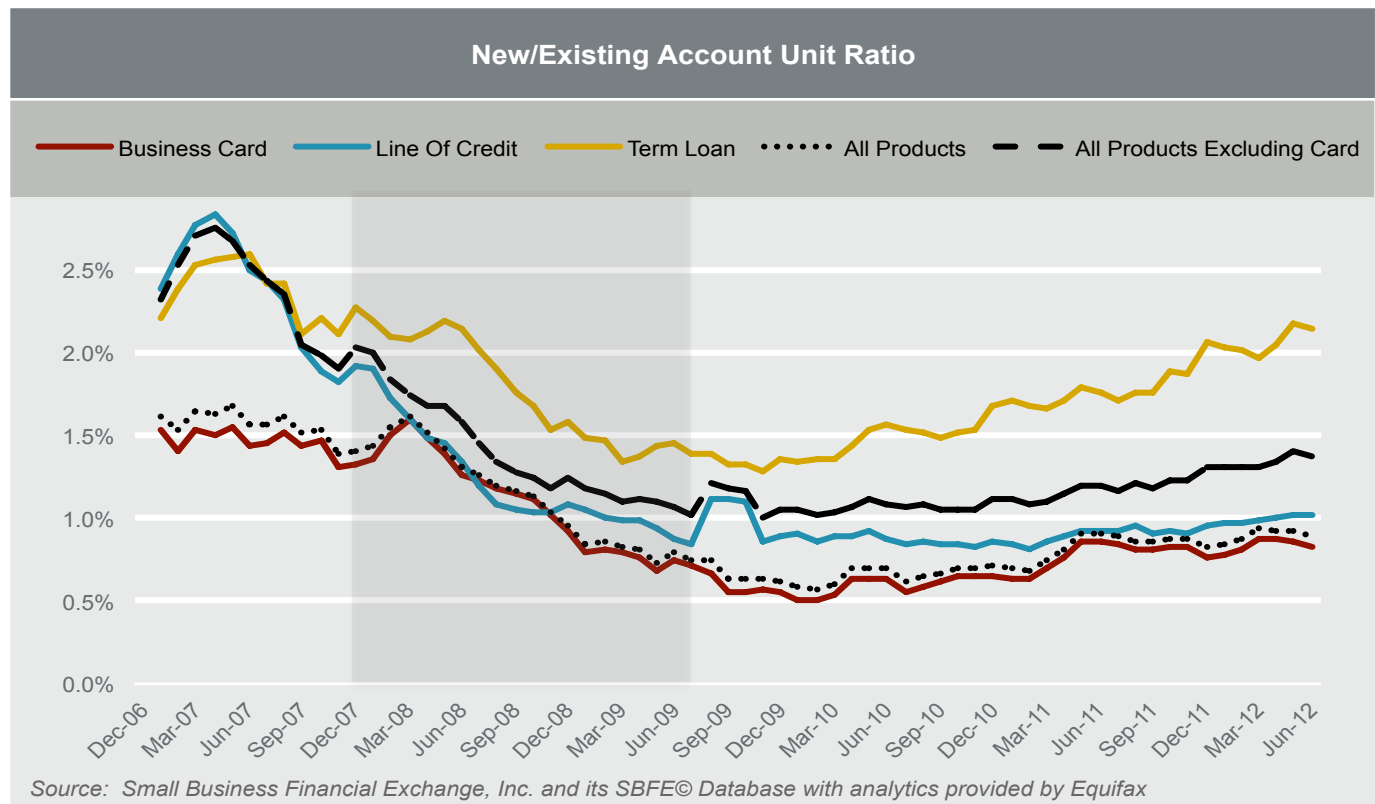
Small Business Lending Originations: balances

- Origination Balance indices on new accounts are observed after the origination date to allow for the natural lag in reporting of the data and usage on revolving accounts
- Origination Balance levels contracted significantly in 2008
- Term Loans have recovered to levels from five (5) years ago
 - The increase in Term Loan originations is partially impacted by termed out Lines of Credit (i.e. conversion from Lines of Credit to Term Loans)



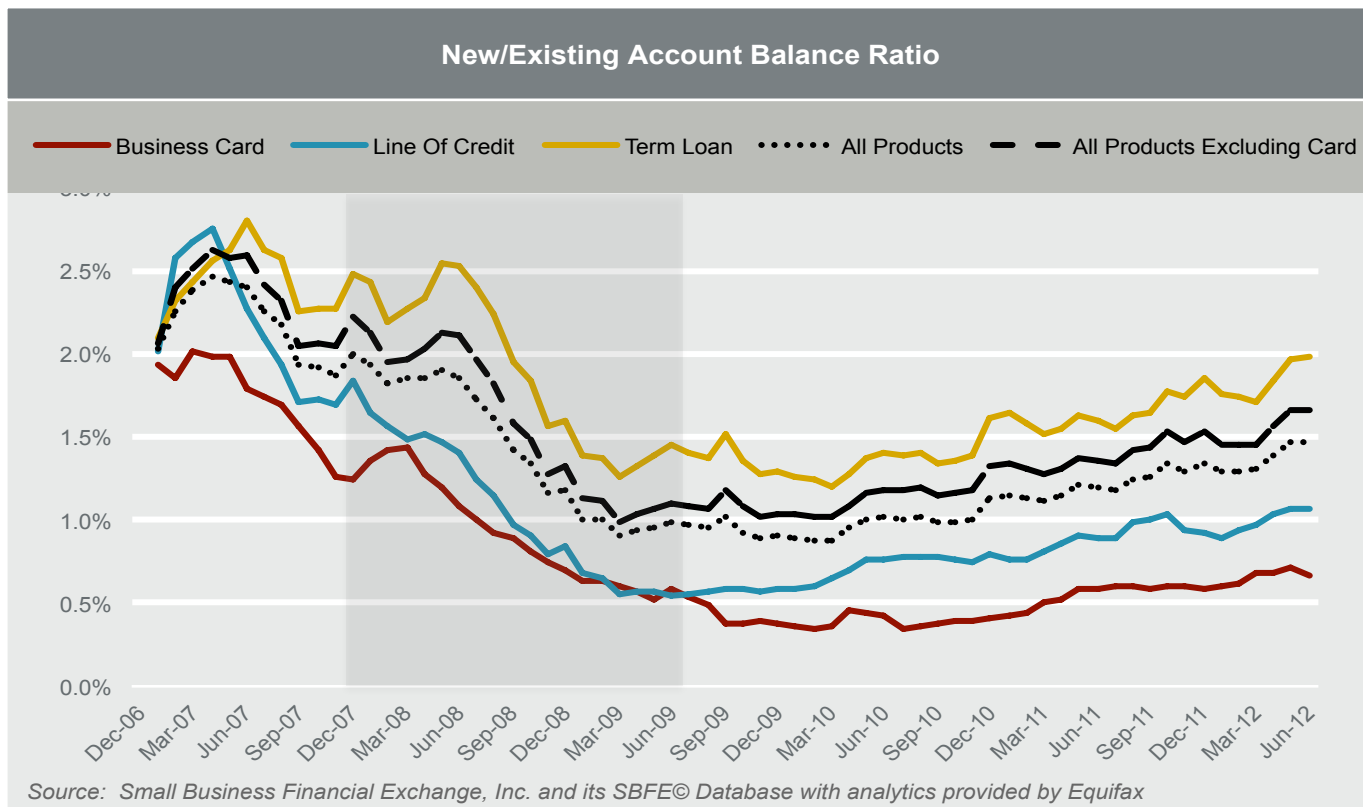
Small Business New/Existing Accounts: unit ratio

- The ratio of new accounts existing accounts indicates the relative size of new activity entering existing portfolios
- Business Card and Line of Credit new to existing account ratios are increasing slightly, but remain lower than prerecession levels
- Term Loan new to existing account ratio has returned to prerecession levels
 - The increase in Term Loan originations is partially impacted by termed out Lines of Credit (i.e. conversion from Lines of Credit to Term Loans)



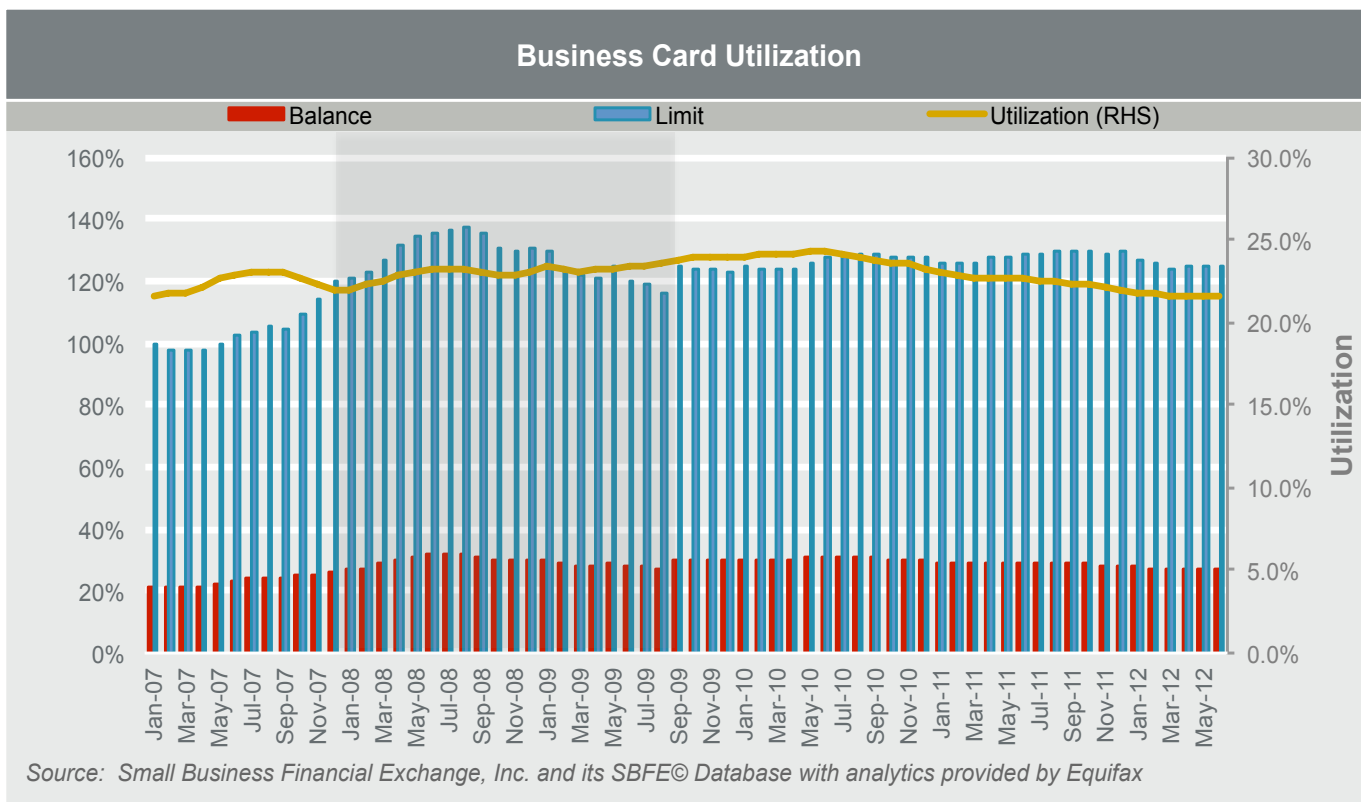
Small Business New/Existing Accounts: balance ratio

- The ratio of new accounts to existing account balances indicates the relative size of the new balances entering portfolios
- Business Card balance ratios have been moderately increasing since Q2 2010
- Term Loan and Line of Credit balance ratios have been increasing for the past two (2) years
 - The increase in Term Loan originations is partially impacted by termed out Lines of Credit (i.e. conversion from Lines of Credit to Term Loans)



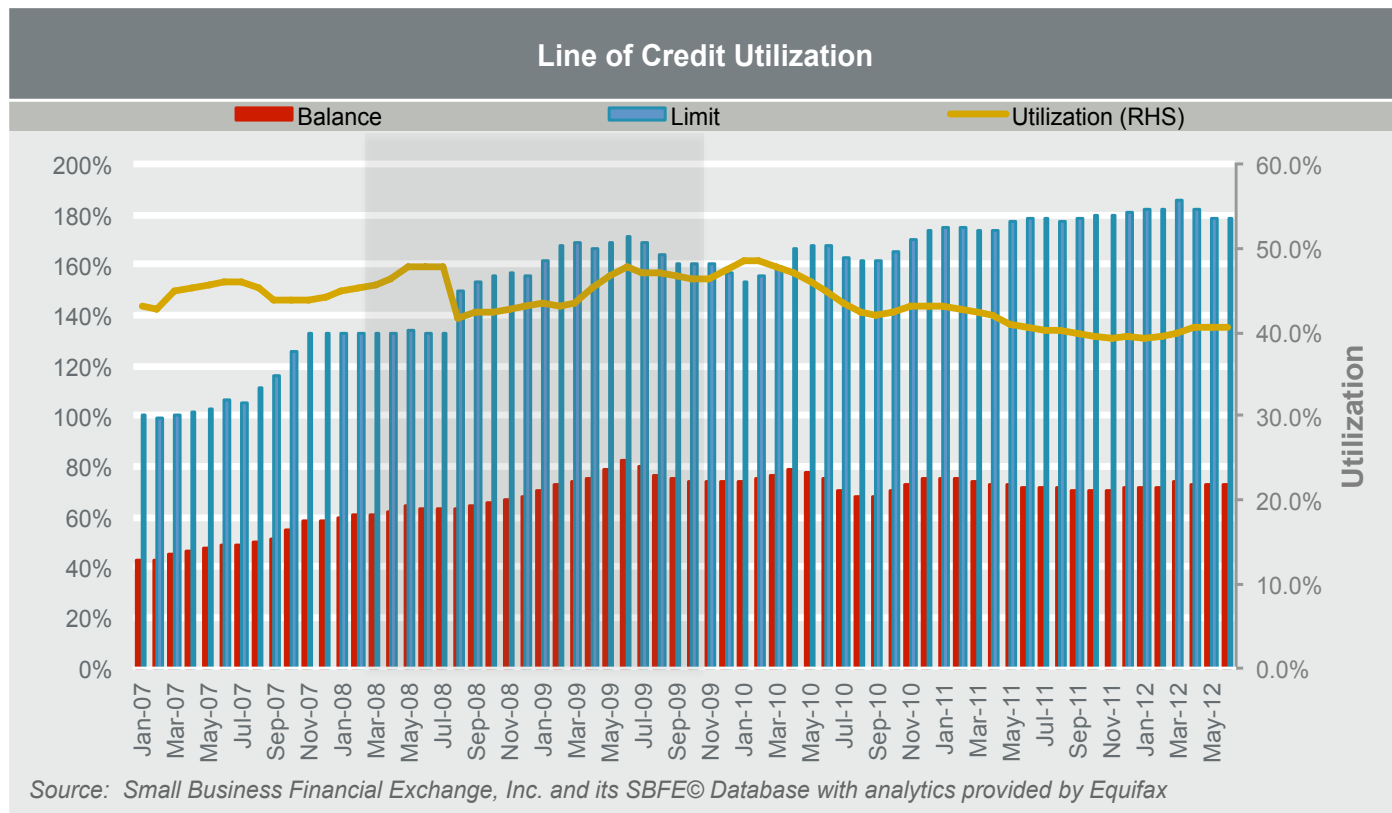
Small Business Business Cards: utilization

- Business Card limits peaked in August 2008 then experienced a subsequent decline, although there has been relative stabilization over the last two (2) years
- Business Card balances continue to decrease resulting in declining utilization levels
- The decreased balances and declining utilization indicates that small businesses remain conservative in their use of credit



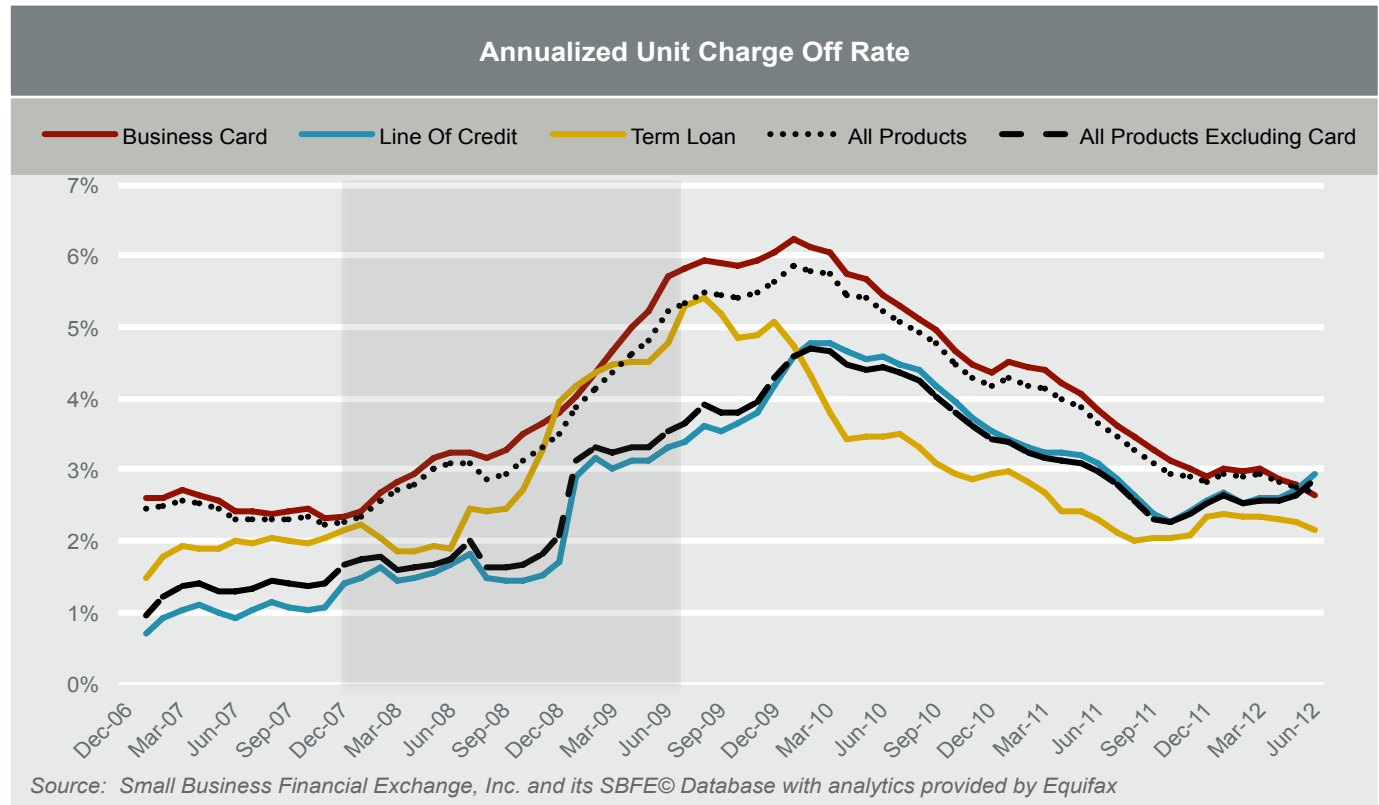
Small Business Lines of Credit: utilization

- Line of Credit limits have grown over the past twelve (12) months
- Line of Credit balances dropped driving utilization to its lowest point since July 2008
- Declining Line of Credit utilization indicates that small businesses remain conservative in their use of credit



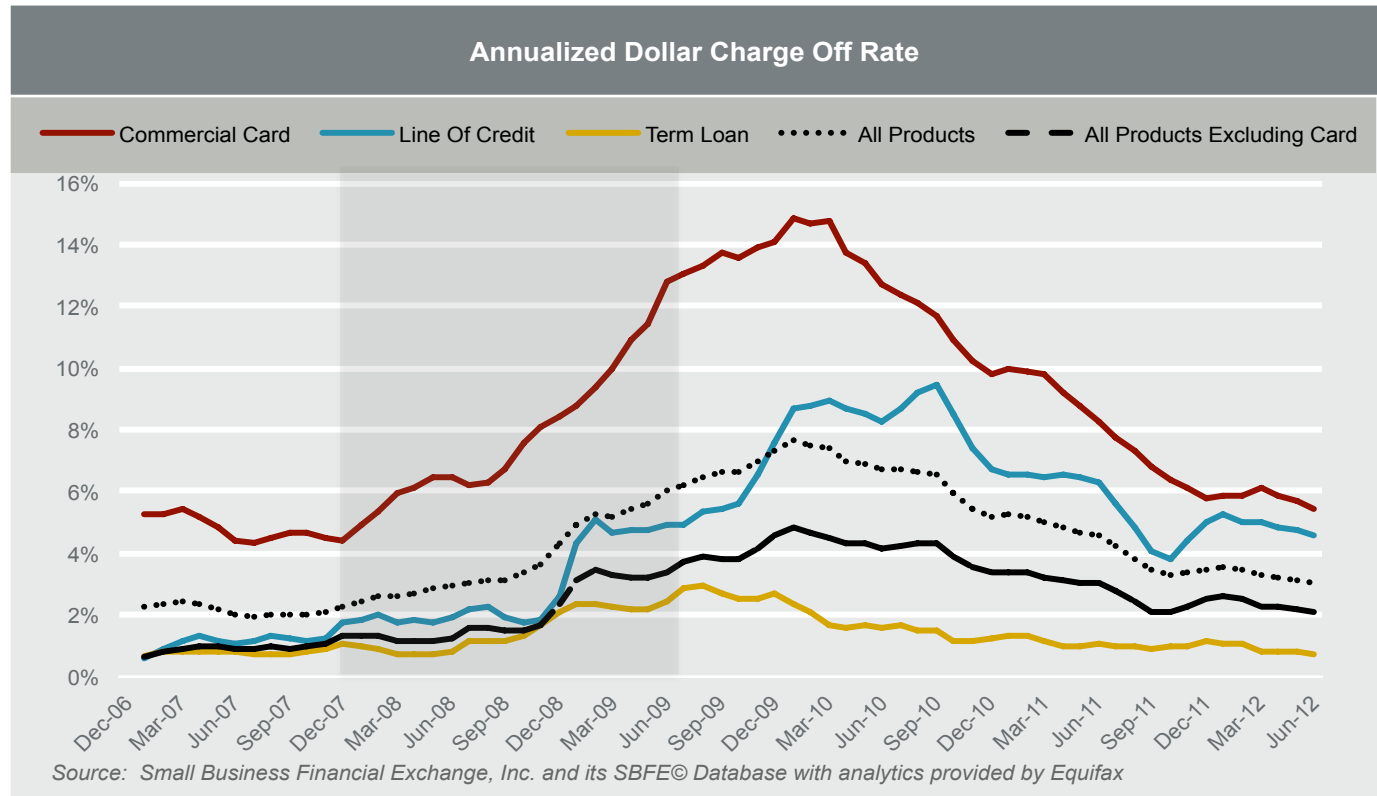
Small Business Lending Annualized Charge Offs: units

- Business Card unit charge off rates peaked in 2009 and have been steadily declining since
- Peaks in Business Card and Line of Credit unit charge off rates coincides with similar peaks in unit delinquency rates for those loan types
- All charge off unit rates are well below recession levels indicating continued stabilization of the portfolios



Small Business Lending Annualized Charge Offs: dollars

- Business Card dollar charge off rates experienced a steeper increase than Business Card unit charge off rates indicating the severity of the impact to these portfolios
- Line of Credit Dollar charge off rates have declined steadily except for an increase in Q4 2011
- Term Loan dollar charge off rates have remained relatively steady for the last twelve (12) months



About the Small Business Financial Exchange, Inc.

The SBFE seeks to be the leading advocate for the exchange of business financial information used for risk management activities of small business lenders and financial entities.

SBFE has four primary objectives:

- Promote the growth, health and success of the small business community that includes our members and the small businesses they serve.
- Establish operating rules and standards that focus on protection of sensitive small business data, control of its use by lenders, and maintaining its value.
- Establish reporting standards and operating practices that insure the highest data quality, data integrity, and data security.
- Provide effective self-governance as an independent organization that is a trusted advocate and guardian on behalf of all parties.



**For more information about the
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